

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Acting Chairman;
Tony Hammond, Vice Chairman;
Mark Acton;
Ruth Goldway; and
Nanci E. Langley

Yantic Post Office
Yantic, Connecticut

Docket No. A2015-1

ORDER AFFIRMING DETERMINATION

(Issued June 5, 2015)

I. INTRODUCTION

On February 17, 2015, Debercy A. Hinchey, Mayor of the City of Norwich, CT (Petitioner) filed a petition with the Commission seeking review of the Postal Service's Final Determination to close the Yantic, Connecticut post office (Yantic post office).¹ The Final Determination to close the Yantic post office is affirmed.

¹ Appeal on Closing Received from Mayor Debercy Hinchey and State Representative Kevin Ryan postmarked February 17, 2015 (Petition). Petitioner Hinchey states that over the years she has been served by the Yantic post office. See Letter Received from Mayor Debercy Hinchey, March 6, 2015.

II. PROCEDURAL HISTORY

On March 16, 2015, the Commission established Docket No. A2015-1 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.²

On March 23, 2015, the Postal Service filed the Administrative Record with the Commission.³ The Postal Service also filed comments requesting that the Commission affirm its Final Determination.⁴

Petitioner filed a participant statement supporting her Petition.⁵ Petitioner also filed information supplemental to the Participant Statement.⁶ On May 12, 2015, the Public Representative filed reply comments.⁷ On May 21, 2015, the Postal Service filed a response to the Public Representative's reply comments.⁸ Petitioner and U.S. Representative Joe Courtney filed a letter on May 19, 2015.⁹

² Order No. 2392, Notice and Order Accepting Appeal and Establishing Procedural Schedule, March 16, 2015; Notice of Errata, March 26, 2015.

³ The Administrative Record is attached to the United States Postal Service Notice of Filing Administrative Record, March 23, 2015 (Administrative Record). The Administrative Record includes, as Item No. 35, Final Determination to Close the Suspended Yantic, CT Post Office and Extend Service by City Delivery (Final Determination).

⁴ United States Postal Service Comments Regarding Appeal, April 30, 2015 (Postal Service Comments).

⁵ Letter and Participant Statement Received from Mayor DeBerey Hinchey Regarding the Yantic, CT post office, April 15, 2015 (Participant Statement).

⁶ Supplemental Information of the Yantic Post Office, April 16, 2015 (Participant Supplement Statement).

⁷ Reply Comments of the Public Representative, May 12, 2015 (PR Reply Comments). The Public Representative also filed a motion for late acceptance of her comments. Motion of Public Representative for Late Acceptance of Comments, May 12, 2015. The motion is granted.

⁸ United States Postal Service Response to the Public Representative's Reply Comments, May 21, 2015 (Postal Service Response). *See also* United States Postal Service Motion for Leave to File a Reply, May 15, 2015; Order No. 2488, Order Granting Motion for Leave to File a Reply, May 18, 2015.

⁹ Letter Received from Joe Courtney, U.S. Representative, CT-02 and DeBerey Hinchey, Mayor, City of Norwich Regarding the Yantic Post Office.

III. BACKGROUND

The Yantic post office was closed indefinitely as an emergency suspension on February 6, 2012, after postal officials noted deficiencies in safety and security at the site. Administrative Record, Item 2B at 1. The deficiencies included potential exposure to building materials containing untreated asbestos, exposed wiring, housekeeping deficiencies, lead paint, fire hazards, and constricted emergency egress. Final Determination at 9. The Postal Service noted that there were no suitable alternate locations available, the building housing the Yantic post office was leased on a month to month basis, and the building was subject to an action in probate court. *Id.* The Yantic post office provided retail postal services and service to 223 post office box customers. *Id.* No delivery customers were served through this office. *Id.* The Yantic post office, an EAS-13 level facility, provided retail service from 7:30 a.m. to 1 p.m. and 2:00 p.m. to 5:00 p.m., Monday through Friday, and 7:30 a.m. to 12:00 p.m. on Saturday. *Id.* at 1.

The postmaster position is not vacant. *Id.* The postmaster assigned to this unit may be moved to another facility if possible. *Id.* at 9. Office receipts for the last 3 full years of operation were \$459,566 in FY 2009, \$359,086 in FY 2010; and \$299,312 in FY 2011. Administrative Record, Item 23 at 6. By closing this office, the Postal Service anticipates a total 10 year savings of \$963,977 having a net present value savings of \$757,855. Final Determination at 8.

Since the suspension of service, retail and delivery services have been provided under the administrative responsibility of the Norwich post office located approximately 4 miles away.¹⁰ Since suspension, the Postal Service states that delivery services have been provided by city carriers from the Norwich post office. Final Determination at 1-2. The Postal Service indicates that street delivery will be provided to many customers that previously did not receive street delivery (customers with Group E post office boxes),

¹⁰ MapQuest estimates the driving distance between the Yantic and Norwich post offices to be approximately 4.46 miles (8 minutes driving time). The Final Determination erroneously indicates the distance between Yantic and Norwich post offices is 2.2 miles which appears to be mileage between Yantic and Bozrah post offices incorrectly retained from the October, 2012 Proposal to Close. *Id.* at 2; Item No. 23 at 2.

via Rural Gang Box or Cluster Box Unit (CBU)¹¹ at locations determined by the Postal Service. *Id.* at 8-9, Item No. 20 at 1-2.¹² For these customers, if they elect not to receive street delivery via Rural Gang Box or CBU, they will have to pay for their post office box. Final Determination at 9. The Norwich post office is an EAS-22 level office, with retail hours of 9:00 a.m. to 5:00 p.m., Monday through Friday, and 9:00 a.m. to 12:30 p.m. on Saturday. *Id.* at 2. There are 50 post office boxes available at the Bozrah post office located approximately 2.2 miles away. Administrative Record, Item 23 at 2. Yantic post office customers who chose to keep their post office boxes could continue to use the Yantic post office box address and may obtain access to their assigned post office box through the Bozrah post office lobby. Final Determination at 9.

IV. PARTICIPANT PLEADINGS

Petitioner. Petitioner opposes the closure of the Yantic post office. Petitioner states the Postal Service did not adequately consider issues that it is required to consider. Petitioner says the Yantic post office was self-supporting and creating a profit. Petition at 1. Petitioner notes that the Yantic post office is close to the business park, which has proved to be an added benefit for businesses relocating there as well as a convenience for existing businesses that is not available in many business parks. *Id.* Petitioner also contends that contrary to the Postal Service reports, multiple businesses are in the surrounding area, including a business park 0.70 miles away with 45 businesses and 1,924 employees, and there is a bakery directly next door. US Foods is located 0.99 miles away employing 400 people. Participant Supplement Statement. Petitioner also states the Postal Service did not give patrons an opportunity to discuss the move to the Norwich post office. *Id.* Petitioner observes that the 250 post office boxes at the Yantic post office could not be moved to the Bozrah post office as that it had only 50 boxes. Patrons were offered rural delivery, but patrons

¹¹ The Final Determination refers to CBU as “Centralized Box Unit.”

¹² The numbering for “Item No. 20” restarts at 1 after ending at 59. This reference is to the letter appearing after page 59 of Item No. 20, and identified as page 1.

wanting post office boxes were charged for the boxes and there were not enough boxes to accommodate the Yantic patrons. *Id.*

Postal Service. The Postal Service argues that the Commission should affirm its determination to close the Yantic post office. Postal Service Comments at 2. The Postal Service believes the appeal raises three main issues: (1) the effect on postal services, (2) the impact on the Yantic community, and (3) the calculation of economic savings expected to result from discontinuing the Yantic post office. *Id.* at 1-2. The Postal Service asserts that it has given these and other statutory issues consideration and concludes that the determination to discontinue the Yantic post office should be affirmed. *Id.* at 2.

The Postal Service explains that its decision to close the Yantic post office was based on several factors, including:

- effect on postal services;
- a variety of other delivery and retail options (including the convenience of rural delivery and retail service);
- carrier service is able to handle future growth in the community;
- expected financial savings; and
- effect on employees.

Id. at 5-10. The Postal Service contends that it will continue to provide regular and effective postal services to the Yantic community when the Final Determination is implemented. *Id.* at 11.

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioner regarding the effect on postal services, effect on the Yantic community, economic savings, and effect on postal employees. *Id.* at 10-11.

Public Representative. The Public Representative argues the determination was not performed in accordance with the requirements of title 39 and recommends the Commission remand the Postal Service's determination. PR Reply Comments at 1. She contends that it appears the Postal Service predetermined its decision to close the

Yantic post office by the time its retail operations were placed under emergency suspension. *Id.* at 3. Postal Service officials noted only three safety issues that could be “remedied at a minimal cost.” *Id.* The police report indicated only one isolated incident involving the Yantic post office, but there is no indication of any effort by the Postal Service to address the safety and security concerns. *Id.* at 4.

The Public Representative also contends that the Postal Service failed to properly solicit and consider meaningful community input. *Id.* at 4-6. She argues the final determination provides only generalized stock responses to customer concerns. She also questions whether the community had a fair opportunity to comment upon the switch of proposed administrative offices from the Bozrah post office to the Norwich post office. *Id.* at 5. This change, according to the Public Representative, should have prompted new questionnaires and an additional community meeting. *Id.* at 6. Lastly, the Public Representative argues that it is erroneous to consider the postmaster’s salary as a savings if the salary is from the budget of another facility. *Id.* at 6-7.

The Postal Service’s comments indicate the postmaster has been assigned to the Wauregan post office and will work there after the Yantic post office is closed or be reassigned to another facility, if possible. See Administrative Record, Item No. 2 at 1; Item No. 2B at 1; and Item No. 35 at 8. The Public Representative says the Postal Service must justify the savings in salary and benefits or reduce the estimated savings of postmaster salary and benefits. PR Reply Comments at 6-7.

Postal Service Response to Public Representative. The Postal Service states that its decision to undertake a discontinuance study upon an emergency suspension is a “permissible circumstance” in its regulations and does not support the argument that its decision to close the Yantic post office was predetermined. Postal Service Response at 3. The Postal Inspection Service reported three security issues and a number of safety issues. *Id.* at 4. Also, several security and safety issues could not be remedied through cooperation with the facility’s owner because the building’s ownership was being litigated in probate court. *Id.* Multiple levels of review are required at the Postal Service prior to posting a Final Determination at a retail facility, thereby

preventing local management from predetermining the outcome of a discontinuance study. *Id.*

The Postal Service states that a second community meeting or questionnaire was not needed to identify the Norwich post office rather than the Bozrah post office as the administrative post office. Customers were informed of potential changes through POSTPlan's community outreach and the change did not affect the availability of retail services. *Id.* at 5-6. Also, the change to the Norwich post office resulted from community input about the absence of delivery service and limited hours at the Bozrah post office. *Id.* at 6. The "Dear Postal customer" letter dated November 26, 2012, is not a generalized response, but drafted specifically to address customers' most frequent concerns. *Id.* at 7. Of the 44 customer concerns, the November 26, 2012, letter responds to 31 concerns involving delivery service to customers' physical addresses, time and cost of travelling to the Bozrah post office, and that office's limited hours. Other comments relating to address changes are responded to in Customer Concern No. 42 in the Final Determination. *Id.* at 7-8. The Postal Service also responds that its decision to extend delivery service to the physical address of Yantic customers filled any potential gap that a village post office might have filled. *Id.* at 8-9.

The Postal Service also addresses the Public Representative's claim that the savings in employee salary and benefits should be demonstrated. The Postal Service cites a Commission decision holding that it is reasonable for the Postal Service to claim employee salary and benefits as savings where the affected employee is transferred to a vacant position.¹³ *Id.* at 9-10.

V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record

¹³ Docket No. A2013-2, Order Affirming Determination, March 7, 2013, at 10 (Order No. 1674).

that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be: (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify or reverse the Postal Service's determination by substituting its judgment for that of the Postal Service.

A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. *Id.* § 404(d)(5).

The record indicates the Postal Service took the following steps in providing notice of its intent to permanently close the Yantic post office that had been under emergency suspension since February 6, 2012. On October 1, 2012, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Yantic post office. Final Determination at 2. A total of 282 questionnaires were distributed to delivery customers. *Id.* Other questionnaires were made available at the retail counter at the Norwich post office. *Id.* A total of 59 questionnaires were returned. *Id.* On November 14, 2012, the Postal Service held a community meeting at the Yantic Fire Station to address customer concerns. *Id.* Sixty-two customers attended. *Id.* The Postal Service's response is helpful in addressing legitimate

concerns raised by the Public Representative. Customers were informed of potential changes in the administrative post office through POSTPlan's community outreach and the change did not affect the availability of retail services. Postal Service Response at 5-6.

The Postal Service posted the proposal to close the Yantic post office at the Bozrah and Norwich post offices from October 6, 2012, through December 7, 2012. Administrative Record, Item 23 at 1, 5. Invitations for comments on the proposal were also posted at the Bozrah and Norwich post offices from October 6, 2012, through December 7, 2012. *Id.* at 8, 12. The Postal Service posted a revised Proposal to address the change of administrative post offices from Bozrah to Norwich post office. This revised Proposal was posted at Bozrah and Norwich post offices from August 2, 2013, through October 3, 2013. *Id.* at 11-20. The Final Determination was posted at the same two post offices from January 26, 2015, through February 27, 2015. *Id.* Item 36 at 1-2.

Several safety and security issues at the Yantic post office were identified, which resulted in the Postal Service's discontinuance process. Given the litigation over ownership of the Yantic property, and the proposals to close that considered customer comments, the record does not support the claim that the decision to close the Yantic post office was predetermined.

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: (1) the effect on the community; (2) the effect on postal employees; (3) whether a maximum degree of effective and regular postal service will be provided; and (4) the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

Effect on the community. Yantic, CT is an unincorporated community located in New London County, CT. Final Determination at 8. The community is administered

politically by Norwich, CT. *Id.* Police protection is provided by Norwich. *Id.* Fire protection is provided by Norwich. *Id.* The community is comprised of small businesses, residential homes, a condo complex, and those who work in local businesses or commute to work in nearby communities. *Id.* Residents may travel to nearby communities for other supplies and services. *Id.*; see *generally* Administrative Record, Item No. 10 (returned customer questionnaires and Postal Service response letters), Postal Service Comments at 8 n.34.

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Yantic community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the Yantic post office, customers raised concerns regarding the effect of the closure on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 2-8. The Postal Service has considered the effect on the small businesses in the area.

The community identity for Yantic customers will remain unchanged for customers who continue receiving mail through a post office box. Administrative Record, Item No. 2E at 4; Item No. 20 at 1. The community name will be maintained for customer addressing, although a carrier route address will be assigned, and the ZIP Code is not expected to change. Final Determination at 8, Item No. 17 at 2.

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

Effect on employees. The Postal Service states that the Yantic postmaster position is not vacant. Final Determination at 1. The postmaster assigned to the Yantic post office may be moved to another facility, if possible. *Id.* at 9. Upon emergency suspension on February 7, 2012, the Yantic postmaster was temporarily assigned to the Bozrah post office to assist with the additional workload. Administrative Record, Item 2. Subsequently, by April 10, 2013, the Yantic postmaster was assigned to the Wauregan post office. The Bozrah Officer-in-Charge (OIC) was handling the Yantic post office box

workload. *Id.* Item 2B. The Postal Service has considered the possible effects of the post office closing on the postmaster and has satisfied its obligation to consider the effect of the closing on employees at the Yantic post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

Effective and regular service. The Postal Service contends that it has considered the effect the closing will have on postal services provided to Yantic customers. Postal Service Comments at 6-7. It asserts that customers of the closed Yantic post office may obtain retail services at the Norwich post office which is approximately 4 miles away. Final Determination at 1-2; see note 12, *supra*. Retail services may also be obtained at the nearby Bozrah post office. Postal Service Comments at 6. The Postal Service changed hours at the Bozrah post office to match the hours at the suspended Yantic post office and provided coverage during the postmaster's lunch break. Final Determination at 1, 9. Given the proximity of the former Yantic post office to many small businesses, and the Postal Service's commitment to grow the mail in part by engaging small business, the Commission encourages the Postal Service to perform outreach with and explore alternative service options for those businesses affected by the closing of the Yantic post office.

In response to customer concerns and to comply with legal requirements, the Postal Service is providing one free form of delivery to all customers, including no-fee post office box service where street delivery is not feasible. Delivery service will be provided by city and rural contract route service through the Norwich post office. *Id.* at 6-7. The Yantic post office provided delivery services to 223 post office box or general delivery customers. *Id.* at 9. Yantic post office box customers may obtain post office box service at the Bozrah post office which has 50 post office boxes available. Administrative Record, Item 23 at 2. Although Petitioner claimed there were not enough boxes at the Bozrah post office, no customer commented about any specific difficulty in obtaining a post office box at the Bozrah post office.

For customers choosing not to travel to the Norwich post office, the Postal Service explains that rural route and city delivery provides access similar to retail

service and customers do not have to make a special trip to the post office. Postal Service Comments at 6. The Postal Service adds that CBUs provide security of individual locked compartments and that various options exist for shipping packages such as Click-N-Ship as well as scheduled carrier pick-up at the same time as carrier delivery of the mail. *Id.* at 6-7. It is not necessary to meet the carrier for service since most transactions do not require meeting the carrier at the mailbox.

The Postal Service also identified eight alternative access options for stamp purchases at retail stores within a 5-mile radius of the Yantic post office. Final Determination at 8. The Postal Service also identified six other post offices within 5 miles. *Id.*

The Postal Service has considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

Economic savings. The Postal Service estimates a 10 year net present value savings of \$757,855. Final Determination at 8. It derives this figure by summing the following 10 year costs and discounting to the net present value: building maintenance (\$0), utilities (\$19,731), transportation (\$17,611), EAS craft and labor (\$860,346), contracts (\$29,997), and lease costs (\$38,703) minus the one-time cost of relocation (\$2,414). *Id.*

The Commission has previously stated that the Postal Service should not compute savings based on compensation costs unless there is a reasonable assurance that closing will actually eliminate those costs.¹⁴ The Yantic post office postmaster currently assigned to this unit will be transferred to another facility, if possible. Final Determination at 9. The Postal Service has stated that upon implementation of the Final Determination, the Yantic postmaster position will be transferred to a vacant position. The saving estimate assumes vacant positions will be filled at the median

¹⁴ See Docket No. A2011-67, United States Postal Service Comments Regarding Appeal, October 24, 2011, at 12-13; Docket No. A2011-68, United States Postal Service Comments Regarding Appeal, November 2, 2011, at 10.

salary range. Postal Service Response at 10. The postmaster position and the corresponding salary will be eliminated.

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

VI. CONCLUSION

The Postal Service has adequately considered the requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Yantic post office is affirmed.

It is ordered:

The Postal Service's determination to close the Yantic, CT post office is affirmed.

By the Commission.

Ruth Ann Abrams
Acting Secretary